
DATE: January 5, 2011

REPORT TITLE: **INFRASTRUCTURE STIMULUS FUNDING (ISF) EXTENSION OF COMPLETION DEADLINE**

FROM: Norma Trim, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

Whereas, the federal and provincial governments are providing a one-time extension of the deadline for funding of projects under the Infrastructure Stimulus Fund, Building Canada Fund – Communities Top-Up, the Recreational Infrastructure Canada/Ontario Recreation Program, and the Knowledge Infrastructure Program from March 31, 2011 to October 31, 2011;

And whereas, all funding from the Government of Canada and Ontario will cease after October 31, 2011;

And whereas, the Regional Municipality of Peel is asking the provincial government for an extension to federal and provincial funding to October 31, 2011 for the projects identified in Appendix 1;

Therefore be it resolved, that the Regional Municipality of Peel attests that it will continue to contribute its share of the required funding for the aforementioned projects;

And be it further resolved, that actual claims for all eligible costs incurred by March 31, 2011, for the aforementioned projects must be and will be submitted no later than April 30, 2011;

And be it further resolved, that the Regional Municipality of Peel will ensure that the projects will be completed.

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INFRASTRUCTURE STIMULUS FUNDING (ISF) EXTENSION OF COMPLETION DEADLINE**REPORT HIGHLIGHTS**

- In September 2010, the federal government announced the option to recycle Infrastructure Stimulus Funding (ISF) funds by making additional applications for new ISF projects.
- In November Peel received approval for its four applications submitted for ISF recycled funds and as a result stands to gain a maximum benefit of \$2.8 million from the Canada and Ontario share of ISF monies.
- The federal government announced on December 2, 2010 that the deadline for substantial completion of ISF projects has been extended from March 31, 2011 to October 31, 2011.
- The projects which staff recommend the Region request an extension beyond the original March 31, 2011 deadline are identified in Appendix 1.
- The extension of the completion dates for selected ISF projects will ensure their efficient and effective implementation and enables new and/or retrofit of existing infrastructure.
- On December 21, 2010 the Region was informed that submissions for project extensions must be made by January 17, 2011 including the above Council resolution.

DISCUSSION**1. Background**

On January 27, 2009, the Honourable Jim Flaherty, Federal Minister of Finance presented the Government's Budget for the 2009/10 fiscal year which announced a \$4 billion federal Infrastructure Stimulus Fund (ISF), for which applications were due by May 1, 2009. The Region submitted applications for 27 projects. On June 5, 2009 it was announced that the Region of Peel was awarded \$98.6 million for 26 of the 27 ISF applications consisting of \$49.3 million in federal ISF funding and \$49.3 million in provincial ISF funding.

2. ISF Recycling of Funds

In September 2010, the federal government announced changes to the ISF program guidelines with an option to recycle ISF funds by making additional applications for new ISF projects. The federal and provincial contribution for the new projects must be fully funded by savings that have been or will be realized in implementing previously approved ISF projects hence the term 'recycled'. New projects are subject to the same criteria as the original ISF projects.

Regional staff, at that time, had identified forecast savings to the value of \$3.7 million and four new optional projects valued at \$4.29 million. The CFO subsequently sought Council's authority to submit applications for these projects, through the Interim Approvals Committee (IPAC) on October 18, 2010 and presented the relevant information.

On November 19, 2010 the Region received approval from both the federal and provincial governments for all four applications submitted after confirming with Regional staff additional savings were identified to ensure all four new projects could be delivered. This increased the Regional ISF Program to 30 projects. The updated summary and forecast of the Region's ISF Program is presented in Appendix 2 and is also discussed in section four below.

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3. Extension of ISF Completion Deadline

On December 2, 2011 the federal government announced changes to the ISF program guidelines which gave municipalities an option to extend their ISF projects' completion date from March 31, 2011 to October 31, 2011. On December 21, 2010 the Region received the respective guidelines and documentation required to submit the necessary applications.

For a project to be eligible for an extension the following conditions are required:

- a) Projects must have incurred eligible costs before March 31, 2011. Soft costs such as for planning and design work are considered eligible;
- b) Projects must also have submitted a claim for all costs incurred up to March 31, 2011. This claim must be submitted to the federal government no later than April 30, 2011; and
- c) A Council resolution committing to finish the project(s), and accepting responsibility for any costs incurred beyond October 31, 2011.

Projects requesting an extension to the March 31, 2011 completion date are then required to provide the following information with their application:

- d) Total eligible cost of the project (total approved contracted amount);
- e) Actual project start date;
- f) Projected project end date;
- g) Forecast eligible cost incurred by March 31, 2011;
- h) Forecasted eligible cost incurred between April 1, 2011 and October 31, 2011;
- i) A detailed construction schedule for each project and a signed 'Declaration Concerning the Construction Schedule' by a professional engineer or architect; and
- j) Applications must be submitted by January 17, 2011 to the Ontario Ministry for Agriculture Food and Rural Affairs (OMAFRA).

Regional staff immediately began the process of identifying projects that were at risk of completion within the original March 31, 2011 deadline and other projects that would benefit from this extension. Projects recommended to be extended beyond the March 31st deadline are highlighted in the column titled "Post March 31, 2011 Completion Date" in Appendix 2. Staff also acquired the information required to address items d) to j) above. This report seeks Council approval of the required resolution (item "c" above) to ensure full compliance with the program guidelines.

Staff is recommending that Council approve this recommendation because it allows the Region to effectively and efficiently implement the approved ISF projects and ensures the ISF program objectives of 'Job Creation and Retention' are attained. The ISF program also enables the Region of Peel to develop new and/or retrofit existing public infrastructure that is essential for service delivery.

Staff will continue to provide Council with regular updates and the outcome of these applications for extension to the ISF completion date.

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4. Peel ISF Program Update - November 2010

The Peel ISF Program is progressing well and six projects have been completed as of the end of November 2010, with another four expected to be completed by December 2010. Appendix 2 provides an updated summary of the Region's ISF program status. Total expenditure to the end of November 2010, including accrual for payment certificates in process was approximately \$108.1 million or 66 percent of the \$163.8 million forecasted program budget.

The Region has submitted six sets of claims for reimbursements to date and received a total of \$43.2 million representing 46 percent of the expenditures to the end of September 2010.

The issue of reimbursement for monies held for warranties on ISF projects is still a major concern for the Region since an estimated 10 percent of all construction project costs for Water and Wastewater projects will be withheld for the twenty four month warranty period. The federal and provincial governments are yet to confirm what mechanism will be used to reimburse municipalities after these projects' warranty period expires.

FINANCIAL IMPLICATIONS

The Region is committed to funding one-third of the total eligible project cost with the other two-thirds being funded by the federal and provincial governments. The ISF program guideline does not permit under-spending on ISF projects to be redeployed to address over-spending on other ISF projects. The Region is fully responsible for all costs incurred on projects after the project completion deadline, whether that is March 31, 2011 or October 31, 2011.


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CONCLUSION

The Infrastructure Stimulus Fund Program (ISF) offers an opportunity for significant investment and job creation to occur in the Region of Peel while at the same time allowing for the critical development of new and/or retrofit of existing public infrastructure.



for  Norma Trim
Chief Financial Officer
and Commissioner of Corporate Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Norma Trim at extension 4258 or via email at Norma.Trim@peelregion.ca

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c. Legislative Services

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INFRASTRUCTURE STIMULUS FUNDING (ISF) EXTENSION OF COMPLETION DEADLINE

APPENDIX I

**REGION OF PEEL INFRASTRUCTURE STIMULUS FUNDING PROJECTS TO BE EXTENDED
BEYOND MARCH 31, 2011**

PROGRAM	PROJECT NUMBER	PROJECT TITLE	TOTAL ELIGIBLE COST
EBS	2270 (095172S)	Peel Heritage Centre	\$13,536,400
Water	2299 (091980S)	Meadowvale North Pumping Station Expansion	\$7,467,000
Water	2712 (091375S)	Repair and Replacement of Watermains in Brampton	\$25,129,762
Water	16048 (101941S)	Meadowvale North Reservoir, Cells 1 & 2	\$1,100,000
Police	2453 (098340S)	Police Fleet Garage/Inventory Stores Facility	\$13,500,000
Operations Support	2665 (099060S)	Major Repairs/Rehabilitation Work-Copper Road	\$1,596,000
Roads	2360 (094697S)	Forks of the Credit River-Hurontario Street	\$3,900,000
Wastewater	2353 (092406S)	Port Credit Trunk Sewer and Forcemain	\$8,000,000

Project Name	Project Completion Date	Post March 31, 2011 Completion Date	Project Budgets			Revenue Received to-Date	Total Expenditure to-Date	% of Budget Spent
			Total Project Budget (Original)	Total Project Budget (Updated November 2010)	Change from Original Budget (+ increase / - decrease)			
Transportation								
Airport - Steeles to Queen;	Completed		\$ 3,327,000	\$ 3,295,469	\$ 31,531	\$ 1,442,287	\$ 3,164,272	96%
Dixie - 401 to Derry;	December 10, 2010		6,723,000	4,923,000	(1,800,000)	2,702,172	3,115,254	63%
Cawthra - Lakeshore to N. Service Rd.	Completed		3,031,000	1,018,189	(2,012,811)	520,321	997,526	98%
Hwy. 50 - Countryside to Coleraine	Completed		1,204,580	1,204,580	0	686,386	1,202,664	100%
King Street - Creditview Road to Mississauga Road	Completed		429,390	396,032	(33,358)	207,760	379,268	96%
Mayfield Road - McLaughlin Road to Mississauga Road	Completed		900,000	895,061	(4,939)	511,666	868,290	97%
Forks of the Credit River - Hurontario Street to approximately 6 km westerly - includes drainage improvements	March 31, 2011	July 31, 2011	3,900,000	3,900,000	-	1,493,486	2,828,194	73%
Gore Rd from Mayfield to approx. 1000M North*	November 28, 2010		250,000	250,000	0	0	0	0%
Restructuring Dixie Rd. from Howden to Bovaird*	November 28, 2010		740,000	740,000	0	0	0	0%
			20,504,970	16,622,331	(3,819,577)	7,564,078	12,555,468	76%
Water								
Replacement of Roof Membrane at Beckett Sproule Reservoir	March 31, 2011		1,500,000	1,500,000	-	697,254	1,320,552	88%
Reservoir Rehabilitation - East Brampton Cells 1&2	Completed		1,000,000	644,720	(355,280)	381,580	644,720	100%
Reservoir Rehabilitation - East Brampton Cells 3&4	March 31, 2011		1,200,000	1,200,000	-	492,437	1,180,168	98%
Reservoir Rehabilitation Project - Silverthorn Reservoir	March 31, 2011		1,500,000	1,500,000	-	591,376	1,443,002	96%
Meadowvale North Pumping Station Expansion	March 31, 2011	May 31, 2011	7,467,000	7,467,000	-	1,493,400	2,950,840	40%
Silverthorn Pumping Station Improvements & Upgrades	March 31, 2011		3,271,000	3,271,000	-	1,142,087	3,191,243	98%
Distribution System - Rehabilitation and Upgrades								
Repair and Replacement of Watermains- Mississauga	March 31, 2011		36,786,050	36,786,050	-	12,158,807	37,075,973	101%
Repair and Replacement of Watermains- Brampton	March 31, 2011	October 31, 2011	25,129,762	25,129,762	-	6,129,427	16,900,091	67%
Paigrave-Caledon East Interconnection	March 31, 2011		4,184,590	5,310,000	1,125,410	2,416,418	4,489,241	85%
Water Servicing for Campbell's Cross and Victoria	March 31, 2011		5,151,300	5,151,300	-	1,432,850	3,324,708	65%
Meadowvale North Reservoir, Cells 1 & 2*	March 31, 2011	October 31, 2011	1,100,000	1,100,000	-	-	-	0%
Hanlan Transmission Main Cells 1 & 2*	March 31, 2011		2,200,000	2,200,000	-	-	-	0%
			90,489,702	91,259,832	1,125,410	26,935,636	72,520,540	79%
Wastewater								
Clarkway Drive Trunk Sewer	March 31, 2011		4,738,249	7,000,000	2,261,751	947,650	3,389,780	48%
McVean Drive Trunk Sewer	March 31, 2011		4,485,775	8,000,000	3,514,225	897,155	2,799,837	35%
Port Credit Trunk Sewer and Forcemain	March 31, 2011	August 31, 2011	8,832,800	8,000,000	(832,800)	1,766,560	4,645,777	58%
Intermodal Sewage Pumping Station Pump Replacement	March 31, 2011		550,000	2,000,000	1,450,000	330,000	1,369,742	68%
Lionhead Pumping Station Decommissioning and Gravity Sewer Connection	March 31, 2011		1,500,000	1,400,000	(100,000)	300,000	729,995	52%
			20,106,824	26,400,000	6,293,176	4,241,365	12,935,131	49%
Heritage								
Peel Heritage Centre	December 31, 2010	June 30, 2011	10,000,000	13,536,400	3,536,400	2,060,104	6,196,832	46%
Health								
Malton Paramedic Satellite Station (S10)	December 31, 2010		900,000	900,000	-	160,000	709	0%
Police								
New Police - Fleet Garage and Inventory Stores Facility	February 28, 2011	May 15, 2011	10,000,000	13,500,000	3,500,000	2,019,554	3,685,995	27%
Operations Support								
Major Repairs and Rehabilitation works to Municipal Facilities at Copper Rd.	March 31, 2011	July 31, 2011	1,596,000	1,596,000	-	255,360	247,293	15%
			153,597,496	163,814,563	10,636,409	43,236,097	108,141,967	66%

* New ISF Recycled Projects